

Message Text

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64

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CIAE-00 COME-00 INR-10

LAB-06 NSAE-00 RSC-01 SPC-03 STR-08 TRSE-00 CIEP-02

OMB-01 SIL-01 PA-04 PRS-01 USIA-15 L-03 DRC-01 /104 W

----- 092879

R 262353Z OCT 73 ZDK

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 8608

UNCLAS MEXICO 8091

E.O. 11652: N/A

TAGS: EGEN, MX

SUBJ: PRICE OF MEXICAN TEXTILES TO RISE

REF: MEXICO 7348; MEXICO 7269

1. IMMEDIATELY FOLLOWING GENERAL AGREEMENT REACHED SEPTEMBER 25 (SEE MEXICO 7269, OWNERS OF TEXTILE AND APPAREL FACTORIES STATED THAT THEY WERE UNABLE TO GRANT 20 PERCENT WAGE RISE FOR ORGANIZED WORKERS. THEY ALLEGED THAT HIGHLY LABOR INTENSIVE TEXTILE INDUSTRY OPERATING WITH MINIMUM PROFITS. FOR THEIR PART, 95 MILLION UNIONIZED WORKERS IN TEXTILE INDUSTRY THREATENED STRIKE UNLESS 20 PERCENT INCREASE GRANTED IMMEDIATELY. MANAGEMENT FINALLY CAPITULATED OCTOBER 11 TO UNION DEMAND BUT JESUS GARCIA, PRESIDENT NATIONAL TEXTILE CHAMBER, MADE IT CLEAR THAT INCREASED WAGES WOULD BE FULLY PASSED ON TO CONSUMERS DESPITE GOM APPEAL TO INDUSTRIALISTS TO ABSORB ADDITIONAL LABOR COSTS. HE INDICATED THAT PRICES WOULD RISE BY AT LEAST 40 PERCENT AS RESULT OF WAGE HIKES BUT DID NOT EXPLAIN WHY INCREASE WOULD BE SO MARKED.

2. PRESIDENT PUEBLA/TLAXCALA TEXTILE CHAMBER, ING. VILLA ESCALERA, ECHOED WARNING OF THIS MEXICO CITY COUNTERPART REGARDING PRICES. HE WENT ON TO PREDICT THAT MEXICAN TEXTILE EXPORTS WOULD BE SERIOUSLY HURT BY HIGHER PRICES MANUFACTURERS WOULD NOW BE FORCED TO CHARGE. MOREOVER HE INDICATED THAT MEXICAN TEXTILE EXPORTERS MIGHT HAVE TO RENEGE ON OUTSTANDING

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CONTRACTS AND INSIST ON RENEGOTIATION AT HIGHER PRICES. HE SAID

GOM WAS WHOLLY TO BLAME FOR THIS DEVELOPMENT.

3. COMMENT: DEPARTMENT OF COMMERCE SHOULD ANTICIPATED
COMPLAINTS FROM US IMPORTERS OF MEXICAN TEXTILES IF INDUSTRY,
IN FACT, MAKES GOOD ON THREAT TO RENEGE ON CONTRACTS.
MCBRIDE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 26 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MEXICO08091
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731010/aaaaagrt.tel
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Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Review Event:
Review Exemptions: n/a
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EO Systematic Review
30 JUN 2005

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